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Casey would put ABC-linked stock in blind trust

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WASHINGTON (AP) — CIA Director William J. Casey said yesterday he was willing to put his stock in a media conglomerate proposing to take over the ABC television network into a blind trust that was established for many of his other holdings in 1983.

In a statement issued by Central Intelligence Agency headquarters, Mr. Casey said he had instructed his personal attorney, Leonard Silverstein, to work with the Office of Government Ethics to try to make the change.

"It is a matter of indifference to Mr. Casey whether that stock is in the [blind] trust or not," a CIA spokeswoman, Kathy Pherson, said.

With Capital Cities planning to purchase ABC, the stock situation has raised questions about the director of central intelligence owning a large stake in one of the major television networks.

Mr. Casey's holdings in Capital Cities are worth as much as \$7.5 million but amount to only about one-quarter of 1 percent of the company's stock, according to the Long Island newspaper *Newsday*.

Mr. Casey withheld the Capital Cities stock from his blind trust in 1983 because ethics office regulations don't permit such a trust to include a holding, amounting to more than 20 percent of his entire portfolio, another CIA spokeswoman, Patti

Volz, said.

David H. Martin, director of the Office of Government Ethics, did not return a reporter's telephone calls. His assistant, Peter Andriole, asked if Mr. Casey's stock was not eligible for the blind trust, said, "The office has not made a statement yet." He declined to elaborate and referred questions to Mr. Martin.

The White House spokesman, Larry M. Speakes, said he saw no problem with Mr. Casey's holding the stock outside a blind trust, but declined to say whether he thought the CIA director should put the stock into a blind trust now that ABC is proposing the Capital Cities takeover.

Mr. Casey's last financial disclosure form, filed May 15, 1984, lists holdings in Capital Cities stock by both himself and his wife. It is among several holdings apart from the blind trust Mr. Casey established under pressure from Congress in October, 1983, following criticism of his stock dealings while heading the CIA.

Mr. Casey said that he had not bought or sold any Capital Cities stock since the blind trust was established to head off potential conflicts of interest.

But the Capital Cities holdings are prompting questions, since ABC,

which the conglomerate is proposing to take over, has been the target of CIA criticism about its reporting.

The CIA filed a formal complaint with the FCC last November, saying ABC violated the Fairness Doctrine in a report that the CIA plotted to kill a Honolulu investment counselor who had revealed spy agency involvement in his company. It was the first such complaint by a government agency against a broadcaster.

The FCC rejected it, and last month the CIA asked the FCC to take another look. The agency had charged ABC with "intentional news distortion" and asked that the FCC consider the matter when ABC's valuable radio and TV licenses are up for renewal.

Mr. Casey was one of the founders of Capital Cities Communications, which owns newspapers, radio and television stations and cable TV systems. He resigned from its board of directors in 1981 to take the CIA job.